

2009 DRAFTING REQUEST

Bill

Received: **01/07/2009**

Received By: **mshovers**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-1923**

By/Representing: **Hynek**

This file may be shown to any legislator: **NO**

Drafter: **mshovers**

May Contact:

Addl. Drafters:

Subject: **Local Gov't - counties**
Local Gov't - munis generally

Extra Copies: **EVM**

Submit via email: **YES**

Requester's email:

Carbon copy (CC:) to:

Pre Topic:

DOA:.....Hynek, BB0343 -

Topic:

Revise local levy limits and apply to 2009 and 2010 levies

Instructions:

See attached. Revise levy limits, continue for 2009 and 2010

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L
/1	mshovers 01/07/2009	jdyer 01/09/2009	rschluet 01/09/2009	_____	cduerst 01/09/2009		S&L
/2	mshovers 01/26/2009	kfollett 01/26/2009	rschluet 01/26/2009	_____	cduerst 01/26/2009		

FE Sent For:

<END>

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See attached. Revise levy limits, continue for 2009 and 2010

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/?	mshovers	<i>1/8 jld</i>	<i>199</i>	<i>278</i>			S&L

11 MES 1/7/09

FE Sent For:

<END>

2009-11 Budget Bill Statutory Language Drafting Request

- Topic: Levy Limits
- Tracking Code: BB0343
- SBO team: Tax, Transportation and Budget Development
- SBO analyst: Sara Hynek
 - Phone: 266-1923
 - Email: sara.hynek@wisconsin.gov
- Agency acronym: None
- Agency number: None
- Priority (Low, Medium, High): High

Please revise the current law levy limits to provide for a levy limit on local governments of 3 percent or the increase in net new construction in 2009 and 2010. Expand the definition of net new construction to include newly constructed tax exempt property. Additionally, allow local governments to carry forward unused levy authority.

RP; § 9441 (6n) of Act 20 [RP; of 0.66.0602 takes eff. on 11/30/09]
(1.670 of Act 20)



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-13617

MES:.....

In 1/7
due MON

LPS-Fix request
sheet please

jd levies

DOA:.....Hynek, BB0343 - Revise the levy limits; apply to 2009 and 2010; expand definition of new construction; carry forward of unused authority.

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

- 1 AN ACT ...; relating to: revising the levy limits that apply to political
2 subdivisions. ✓

Analysis by the Legislative Reference Bureau

✓ LOCAL GOVERNMENT (political subdivision)

Under current law, local levy limits are applied to the property tax levies that are imposed in December 2007 and 2008. Current law prohibits a political subdivision any city, village, town, or county from increasing its levy by a percentage that exceeds its "valuation factor," which is defined as the greater of either 2 percent or the percentage change in the political subdivision's equalized value due to new construction, less improvements removed, except that for 2007 the levy limit is 3.86 percent. In addition, the calculation of a political subdivision's levy does not include any tax increment that is generated by a tax incremental district.

This bill extends the levy limits to the property tax levies that are imposed in December 2009 and 2010, and increases the 2008 limit to the greater of either 3 percent or the percentage change in the political subdivision's equalized value due to new construction, including tax-exempt property, less improvements removed. Also under the bill, the base amount of a political subdivision's levy, on which the levy limit is imposed, is the maximum allowable levy for the immediately preceding year.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 66.0602 (1) (b) of the statutes is amended to read:

2 66.0602 (1) (b) "Penalized excess" means the levy, in an amount that is at least
3 \$500 over the limit under sub. (2) for the political subdivision, not including any
4 amount that is excepted from the limit under subs. (3), (4), and (5).

5 History: 2005 a. 25, 484; 2007 a. 20, 115, 129.

6 **SECTION 2.** 66.0602 (1) (d) of the statutes is amended to read:

7 66.0602 (1) (d) "Valuation factor" means a percentage equal to the greater of
8 either 2 3 percent or the percentage change in the political subdivision's January 1
9 equalized value due to new construction, including tax-exempt property, less
10 improvements removed between the previous year and the current year. ~~Except as~~
11 provided, no political subdivision may increase its levy in any year by a percentage
12 that exceeds the political subdivision's valuation factor. In determining its levy in
13 any year, a city, village, or town shall subtract any tax increment that is calculated
14 under s. 60.85 (1) (L) or 66.1105 (2) (i).

15 History: 2005 a. 25, 484; 2007 a. 20, 115, 129.

16 **SECTION 3.** 66.0602 (2) of the statutes is amended to read:

17 66.0602 (2) LEVY LIMIT. Except as provided, no political subdivision may
18 increase its levy in 2007 by a percentage that exceeds the political subdivision's
19 valuation factor or 3.86 in subs. (3), (4), and (5), no political subdivision may increase
20 its levy in any year by a percentage that exceeds the political subdivision's valuation
21 factor. The base amount in any year, to which the limit under this section applies,
22 shall be the maximum allowable levy for the immediately preceding year. In

- 1 determining its levy in any year, a city, village, or town shall subtract any tax
 2 increment that is calculated under s. 59.57 (3) (a), 60.85 (1) (L) or 66.1105 (2) (i).

History: 2005 a. 25, 484; 2007 a. 20, 115, 129.

- 3 **SECTION 4.** 66.0602 (4) (a) of the statutes is amended to read:

- 4 66.0602 (4) (a) A political subdivision may exceed the levy increase limit under
 5 sub. (2) if its governing body adopts a resolution to that effect and if the resolution
 6 is approved in a referendum. The resolution shall specify the proposed amount of
 7 increase in the levy beyond the amount that is allowed under sub. (2), and shall
 8 specify whether the proposed amount of increase is for the next fiscal year only or if
 9 it will apply on an ongoing basis. With regard to a referendum relating to the 2005
 10 levy, or any levy in an odd-numbered year thereafter, the political subdivision may
 11 call a special referendum for the purpose of submitting the resolution to the electors
 12 of the political subdivision for approval or rejection. With regard to a referendum
 13 relating to the 2006 levy, or any levy in an even-numbered year thereafter, the
 14 referendum shall be held at the next succeeding spring primary or election or
 15 September primary or general election.

History: 2005 a. 25, 484; 2007 a. 20, 115, 129.

- 16 **SECTION 5.** 66.0602 (6) (c) of the statutes is amended to read:

- 17 66.0602 (6) (c) Ensure that the amount of the penalized excess is not included
 18 in determining the limit described under sub. (2) for the political subdivision for the
 19 following year.

SECTION #. 2007 Wisconsin Act 20, section 1878d is repealed!

History: 2005 a. 25, 484; 2007 a. 20, 115, 129.

- 20 **SECTION 6.** 66.0602 (7) of the statutes is created to read:

- 21 66.0602 (7) SUNSET. This section does not apply to a political subdivision's levy
 22 that is imposed after December 2010.

- 23 **SECTION 9133. Nonstatutory provisions; Local Government.**

SECTION #. 2007 Wisconsin Act 20, 9441 (6m) is repealed.

move
300w
300w

section
SUNSET

action:
act:
repeal

The repeal of 2007 Wisconsin
Act 20,

(1) LEVY LIMITS. Section ~~9141 (6n)~~ of 2007 Wisconsin Act 20 is repealed.

(END)

plain
period

1878d and 9441 (6n),
applies notwithstanding
section 990.03 of the
statutes

1

2

Shovers, Marc

From: Hynek, Sara - DOA [Sara.Hynek@Wisconsin.gov]
Sent: Sunday, January 25, 2009 3:37 PM
To: Shovers, Marc
Subject: FW: LRB Draft: 09-1361/1 Revise local levy limits and apply to 2009 and 2010 levies
Attachments: 09-1361/1.pdf

Hi Marc – can we remove the language that was added that included tax exempt property in net new construction. Tax exempt property would not be included in the calculation. Thanks!

Sara Hynek
Dept. of Administration
608-266-1923

From: Schlueter, Ron [mailto:Ron.Schlueter@legis.wisconsin.gov]
Sent: Friday, January 09, 2009 2:25 PM
To: Hynek, Sara - DOA
Cc: Grinde, Kirsten - DOA; Hanaman, Cathlene - LEGIS; Beadles, Kathleen - DOA
Subject: LRB Draft: 09-1361/1 Revise local levy limits and apply to 2009 and 2010 levies

Following is the PDF version of draft 09-1361/1.

Shovers, Marc

From: Hynek, Sara - DOA [Sara.Hynek@Wisconsin.gov]
Sent: Wednesday, January 21, 2009 3:53 PM
To: Shovers, Marc
Subject: RE: LRB Draft: 09-1361/1 Revise local levy limits and apply to 2009 and 2010 levies

I do agree, I was just wondering if there was a way to address this particular concern (raised by DOR). They commented that:

(1) Levies for 2008 have already been determined. It is not fair or proper to change the 2008 levy limit "after the fact". The proposed change should first affect levies in 2009.

I see their point, but in practice, I'm not sure that's how this statute operates. Let's leave as is for now, otherwise we probably would just be complicating the statute.

Sara Hynek
Dept. of Administration
608-266-1923

From: Shovers, Marc [mailto:Marc.Shovers@legis.wisconsin.gov]
Sent: Wednesday, January 21, 2009 3:40 PM
To: Hynek, Sara - DOA
Subject: RE: LRB Draft: 09-1361/1 Revise local levy limits and apply to 2009 and 2010 levies

Hi Sara:

I don't think that anything needs to be done to this draft. The 2008 levies were imposed in December 2008 under the current law limit of 2%. If this draft becomes law, the change to a 3% limit would take effect on the day after publication of the budget, which will presumably be well before the 2009 levies are imposed in December 2009. Do you agree?

Marc

Marc E. Shovers

Managing Attorney
Legislative Reference Bureau
Phone: (608) 266-0129
Fax: (608) 264-6948
e-mail: marc.shovers@legis.wisconsin.gov

From: Hynek, Sara - DOA [mailto:Sara.Hynek@Wisconsin.gov]
Sent: Friday, January 16, 2009 5:03 PM

To: Shovers, Marc

Subject: FW: LRB Draft: 09-1361/1 Revise local levy limits and apply to 2009 and 2010 levies

Hi Marc – can we clarify in this draft that the 3% limit applies to levies set in 2009 and after? Just so that the limit applicable to 2008 isn't wiped out.

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Dept. of Administration
608-266-1923

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Subject: LRB Draft: 09-1361/1 Revise local levy limits and apply to 2009 and 2010 levies

Following is the PDF version of draft 09-1361/1.



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1361/4

MES:jld:re

Stays
Rmk

DOA:.....Hynek, BB0343 - Revise local levy limits and apply to 2009 and 2010 levies

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

Don't Gen

- 1 AN ACT ...; relating to: revising the levy limits that apply to political
2 subdivisions.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

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24 **SECTION 8.** 2007 Wisconsin Act 20, section 9441 (6n) is repealed.

25 **SECTION 9133. Nonstatutory provisions; Local Government.**



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1361/2

MES:jld:rs

DOA:.....Hynek, BB0343 - Revise local levy limits and apply to 2009 and 2010 levies

FOR 2009-11 BUDGET -- NOT READY FOR INTRODUCTION

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21 **SECTION 7.** 2007 Wisconsin Act 20, section 1878d is repealed.

22 **SECTION 8.** 2007 Wisconsin Act 20, section 9441 (6n) is repealed.

23 **SECTION 9133. Nonstatutory provisions; Local Government.**

1 (1) LEVY LIMITS. The repeal of 2007 Wisconsin Act 20, sections 1878d and 9441
2 (6n), applies notwithstanding section 990.03 of the statutes.

3 (END)